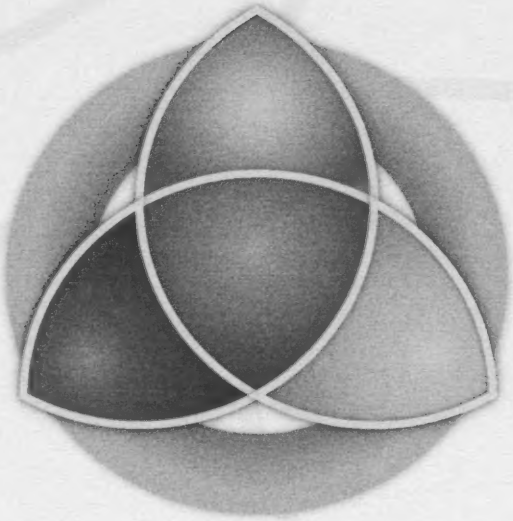
2015 CORPORATE BUSINESS PLAN



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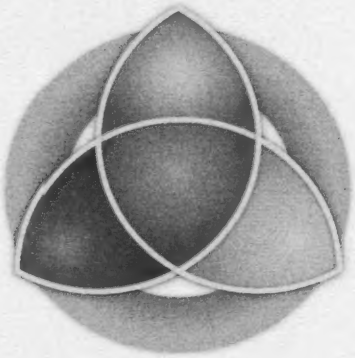
WORKPLACE SAFETY & INSURANCE BOARD

December 1, 2014

2015 CORPORATE BUSINESS PLAN



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WORKPLACE SAFETY & INSURANCE BOARD

Introduction

As the WSIB begins its second century of service to Ontarians, our commitment to workplace safety, return to work and fiscal responsibility will ensure that we continue to play a vital role in helping employers and injured workers get back to what matters.

The activities of the last three years have focused on enhancing our abilities to meet and respond to our customers' needs, engage our stakeholders, and build the sustainability of the system.

The work of the coming year is critical to ensuring we achieve the outcomes set out in our *2012-2016 Strategic Plan*. As we enter the final phases of the WSIB's transformation, the *2015 Corporate Business Plan* will guide the WSIB through the execution of key initiatives.

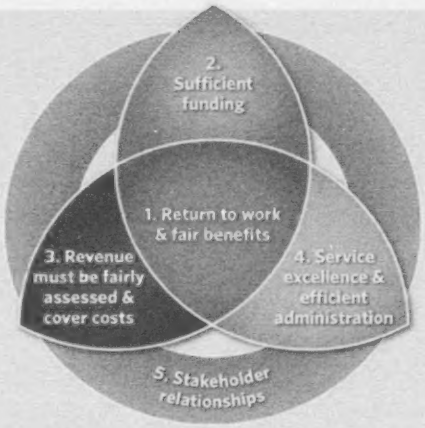
To ensure that our efforts and resources are focused in areas that support our strategic outcomes, the WSIB has identified the following Priority Initiatives for 2015:

- Business Transformation;
- Funding Modernization;
- Human Resources Strategy;
- Communications Strategy;
- Enterprise Risk Management; and
- Strategic Investment Plan.

A major focus for the upcoming year will be implementing the next stages of the Accounts and Claims Enterprise System (ACES). When completed, ACES will see about 80 percent of our technology systems replaced with an integrated system. Building on the initial roll-out in 2014, efforts in 2015 will also focus on testing and refining the system and readying our people through training and revised processes. This major initiative helps us continue to improve how we do business and how we deliver services, as each successful milestone in our modernization journey takes us one step closer to our goal of becoming the leading workplace compensation board.

In the years since the launch of the *2012-2016 Strategic Plan*, the WSIB has been guided by our Enterprise Roadmap – a plan of action to realize our strategic goals and drive modernization. Many of the milestones identified on the roadmap have been successfully completed.

In 2015, we look forward to driving the success of our strategic plan and transforming the WSIB into a more responsive, customer-centric and sustainable organization for the employers and workers we serve.


2. Sufficient funding
1. Return to work & fair benefits
3. Revenue must be fairly assessed & cover costs
4. Service excellence & efficient administration
5. Stakeholder relationships

In 2014, the WSIB continued to sustain strong operational and financial performance. The following are highlights:

Better Outcomes for Workers and Employers

- 92% of workers with lost-time injuries returned to work with no wage-loss within 12 months.
- Over 30,000 injured workers participated in programs that integrate health & return to work.
- 77% of workers who completed their Work Transition plans found employment, up from 36% under the previous program.
- A new Musculoskeletal Program of Care was developed in collaboration with health professional associations and experts.

Stakeholder Engagement & Satisfaction

- Injured workers and employers continued to have some of the highest satisfaction scores. Employer service excellence scores for accounts and claims improved to 90% and 87%. Injured workers scores have held steady at 76%.
- Launched a new website with a brand new look and enhanced functionality, designed to make it an easy-to-use and efficient resource.

Environmental Scan

To inform strategic planning and decision making, the WSIB examines and analyzes its internal and external environment on an ongoing basis, consulting many relevant and reliable sources. Recent key findings include:

Economy

Ontario's economy continues to grow at a modest rate, with GDP expected to increase by 1.6 percent in 2014 and 2.5 percent in 2015 (Conference Board of Canada). The WSIB's forecast for GDP growth in 2015 is more conservative at 2.1 percent, ensuring realistic budget expectations.

The WSIB has forecasted its insurable earnings to increase by 2 percent annually, reflecting expectations for growing employment and relatively flat wage growth across Ontario. The forecast also considers the impact of the economy's shifting structure away from sectors such as manufacturing and toward growing industries not compulsorily covered by the WSIB, such as the financial sector.

Under present conditions, and given internal and external economic forecasts, the WSIB is well positioned to meet its prescribed sufficiency requirements, as legislated by Bill 135.

Stakeholders

As the WSIB continues to make progress against its unfunded liability, pressure from employers for premium rate reductions may increase, while worker advocates may call for expanded benefits. As recently as 2007, during a period of strong investment returns and a healthy funding ratio, premium rates were lowered while benefit and liability costs rose. The market conditions sustaining that business model did not last, and the unfunded liability consequently increased sharply. Going forward, caution must be taken when projecting financial results and making decisions that impact the WSIB's ability to cover costs with earned revenues.

Claim Volumes

As anticipated, after years of falling claim volumes, the number of claims began to level off toward the end of 2013 and into 2014. This is associated with the growth in Ontario's labour market, which is expected to continue growing moderately in the coming years. Ontario's lost-time injury rate continues, however, to decrease, and is now the lowest in Canada at 0.98 per 100 workers. Over the past decade, the number of fatalities has remained relatively constant, despite increasing numbers of workers in Ontario.

Policy and Legislation

Recent and potential legislation changes may also impact claim volumes. In May 2014, six new cancers were added to the existing firefighters regulation. Presumptive coverage for three of the cancers took effect immediately, with the remaining cancers to be phased in over the next three years.

Bill 2 is currently before the legislature and, if passed, would add presumptive entitlement for post-traumatic stress disorder for first responders.

Health

The Government of Ontario released findings from the Roundtable on Traumatic Mental Stress that provide insights into ways to prevent traumatic mental stress, reduce the stigma associated with mental health disorders and help people who have suffered mental injuries in the workplace.

The WSIB continues to monitor these and other trends, including emerging potential causal relationships between diseases and occupational exposures.

Technology Trends

More and more, Ontario residents demand modernized services. Ontarians not only want to be able to access their information online, they also are increasingly interested in interacting and participating actively with organizations through online channels. We are already seeing this trend with employers embracing our eService offerings.

2015 Business Plan

Building on the Success of our Strategic Plan

The WSIB's *2012-2016 Strategic Plan* focuses on sustainability and improving the effectiveness and efficiency of WSIB services. Since its implementation, we have seen continuous improvement in the WSIB's operational and financial results.

To better reflect the strategic planning context and relevant changes in the environment, the *Strategic Plan* was updated in 2014. The update recognized accomplishments made, clarified the intent of the five strategic pillars and their relationships to each other, and articulated more precise objectives.

To ensure the realization of our strategic objectives, it is critical that in these final phases of the Enterprise Roadmap, we are solidly focused on executing and delivering key initiatives across the organization.

2015 Priority Initiatives – focusing on execution and delivery

Each year, the WSIB identifies priority initiatives that support each of the five pillars outlined in the *Strategic Plan*. The priority initiatives are key components to the multi-year transformation taking place across the WSIB as it evolves its programs, technology, and people, while continuing to focus on the importance of return to work and the delivery of core services to support the workers and employers of Ontario.

In 2015, the WSIB continues to build on progress to date in four priority areas: Business Transformation; Funding Modernization; Communications Strategy; and Human Resources Strategy. In addition, a new focus on Enterprise Risk Management and Strategic Investment Planning will ensure the sustainability of our system and position the WSIB to be the leading compensation board.

Priority Initiative	Scope
Business Transformation	Continued modernization to improve our ability to respond to customers and drive better return to work and health recovery outcomes
Funding Modernization	Design and implementation of recommendations, initiatives and actions stemming from the Funding Review
Communications Strategy	Implementation of a proactive strategy that includes stakeholder engagement, issues management, reputation management, and internal engagement
Human Resource Strategy	Continued implementation of a refreshed strategy; aligned, and prioritized to support ongoing transformation and the achievement of business outcomes
Enterprise Risk Management	Implementation of formal and regular reporting and monitoring of key enterprise risks and integration of risk management into business planning
Strategic Investment Plan	Continued implementation to improve risk-adjusted returns and ensure portfolio performance continues to best serve the needs of our stakeholders

1 Business Transformation

...continued implementation of new systems and processes

Continued modernization of the WSIB's systems is improving our ability to respond to customers' needs by providing easier access to information and data, and helping to drive better return to work and health recovery outcomes. The delivery of the Accounts and Claims Enterprise System (ACES) is key to the WSIB's modernization, as this integrated solution for administering accounts and managing claims will replace end-of-life legacy systems used to issue worker benefits and process employer premiums.

To ensure that the WSIB takes full advantage of this significant transformation, information management and analytics capabilities are also modernizing. In this way, the WSIB will provide internal and external users with access, standards and tools for timely and authoritative data. Quality data will optimize the WSIB's strategic and operational practices and allow stakeholders to maximize their use of new data.

To support current and future transformation efforts, the WSIB is developing an overall IT strategy, aligned with business architecture and strategy, future capabilities required, and trends in the industry. The IT Strategy will enable the WSIB to understand how technology is positioned to support the continued evolution of organizational goals and business objectives.

KEY INITIATIVES

ACES

- Learn from the successful implementation of the ACES activities completed in 2014 and conduct considerable planning and testing activities to prepare for the remaining implementation throughout 2015.

Data Management

- Implement the WSIB's Enterprise Data Strategy to support data analytics – a multi-year initiative spanning data management, delivery lifecycle, and data governance practices.

IT Strategy

- Work with business partners to understand how IT can enable the achievement of strategic objectives, business outcomes and enhanced customer service.
- Develop a multi-year strategic IT roadmap to communicate the timing, sequencing and phasing of short and long term projects.

2 Funding Modernization

...design and implementation of recommendations, initiatives and actions towards a new Rate Framework

In May 2012, Professor Harry Arthurs delivered his final report, *Funding Fairness*, containing recommendations that have informed the WSIB's *Strategic Plan* and created a strong foundation for the WSIB to move forward in a fiscally responsible, fair and sustainable manner.

In response to Professor Arthurs' recommendations, the WSIB undertook a jurisdictional analysis of best practices related to employer classification and premium rate setting. Concurrently, Special Advisor Doug Stanley led a comprehensive consultation that culminated in his *Pricing Fairness* report, which included specific recommendations to reform current employer classification, rate setting and experience rating approaches. Based on this report, the WSIB developed options on a proposed preliminary Rate Framework for discussion with stakeholders.

In 2015, the WSIB will undertake a comprehensive public consultation that will provide a range of opportunities for stakeholders to have their views heard. The WSIB will consider the various options and perspectives as it finalizes potential Rate Framework reforms. From there, a comprehensive transition plan to support stakeholders and the WSIB's own implementation will be developed with a view of implementing any reforms gradually, beginning in 2017, and in a manner that fosters stability.

KEY INITIATIVES

Rate Framework Reform

- Undertake a comprehensive public consultation on proposed reforms to the employer classification scheme, rate setting processes and experience rating programs, towards determining and approving a new Rate Framework and a sound transition plan.

Prevention-based Employer Incentive Transition

- Continue to support the transition of the prevention function to the Chief Prevention Officer by engaging in collaborative work on prevention-based incentive programs and determining the WSIB's role with any new and/or existing programs.

3 Communications Strategy

...implementation of key communications initiatives

The WSIB has developed a proactive Communications Strategy that includes stakeholder engagement, issues management, reputation management, and internal engagement. This strategy will help define the WSIB's reputation for fairness, trust and integrity by improving its corporate reputation and brand image. Through its Communications Strategy, the WSIB will work to ensure all products and services are well understood and easily accessible for stakeholders.

The WSIB will align all internal and external communications to its corporate objectives and priorities outlined in the *2012-2016 Strategic Plan*. This will be achieved through clear, timely, and engaging communications.

KEY INITIATIVES

Stakeholder Engagement

- Implement a robust stakeholder engagement strategy, including outreach, feedback, consultation and collaboration opportunities for stakeholders, to engage in dialogue with those stakeholders who may be affected by the decisions WSIB makes, or can influence the implementation of WSIB's business decisions.

Issues Management

- Implement issues management processes and protocols, including media relations, to ensure that issues of critical importance to stakeholders and the public are responded to and addressed promptly and appropriately to support the integrity of the WSIB brand.

Reputation Management

- Implement a reputation management plan that positively positions the WSIB brand, while monitoring and addressing issues that may have a negative impact or be damaging to the brand. The plan, directed at external and internal audiences, will deliver focused messaging to build trust and integrity with Ontarians, improve the WSIB's reputation and brand image, and help to seamlessly manage and mitigate issues.

Internal Engagement

- Implement an internal engagement plan that will ensure the WSIB's internal communications approach and vehicles are designed to deliver business outcomes. The plan is designed to actively celebrate successes, equip employees with stories to help them act as WSIB ambassadors, and equip senior leaders, managers and front-line staff with messaging to help them positively position the WSIB's key messages.

4 Human Resource Strategy

...the HR Strategy has been refreshed, aligned, and prioritized to support ongoing transformation and the achievement of business outcomes

The WSIB's Human Resources strategy is centred around four Pillars: Talent, Leadership, Total Rewards and Labour Relations, and is supported by a solid foundation of Health, Safety and Wellness. It includes a number of initiatives designed to ensure our human resources will be appropriately skilled to meet the WSIB's objectives around modernization and enhanced customer service. This approach will deliver the workforce and workplace of the future.

In 2015, we will build on this solid foundation by strengthening core services, enhancing existing offerings, and increasing efficiency and value.

KEY INITIATIVES

Talent

- Develop a talent management strategy that delivers the vision for the WSIB workforce of the future, mitigates succession risks and creates talent acquisition effectiveness.

Leadership

- Refresh our leadership strategy and update our manager development programs to drive business results.
- Create and endorse a succession planning process using tools for evaluation to build development plans for leaders; ensuring long-term organizational success and mitigation of a critical risk.

Total Rewards

- Develop a total rewards strategy that is aligned with the organization's mission, vision, values, and talent management goals and aligned with the endorsed target market position and comparators.

Labour Relations

- Renew our relationship with our bargaining agents, recognizing the need for change and transformation. Processes will be developed to explore and capitalize on shared interests, and to manage disputes proactively, constructively and respectfully.

5 Enterprise Risk Management

...moving to a systemic function that is integrated into key business activities

In 2014, the WSIB enhanced the profile and magnitude of our Enterprise Risk Management (ERM) activities to promote a risk aware culture and to integrate risk-based practices into existing organization-wide processes. The Board of Directors delegated responsibility for oversight of ERM to the Governance Committee of the Board. In addition, a Chief Risk Officer was appointed with responsibility for ERM, statutory compliance and internal audit.

The ERM implementation strategy will deliver reporting, monitoring and management of key enterprise risks in the first year, in addition to integrating risk management into the 2015 business planning cycle to create more robust business plans and to move to systematic ERM function that is integrated into key business activities. To support the implementation of ERM, the following initiatives will be undertaken through 2015:

KEY INITIATIVES

ERM Policy

- Develop and seek approval for an ERM policy that will embed risk management into the WSIB culture and strategic and business planning processes and support decision making and resource allocation.
- Outline the risk governance structure through describing roles and responsibilities for risk management.

Risk Appetite and Tolerance

- Develop risk appetite and tolerance statements to align management's and the Board of Directors' understanding of the amount and type of risk that the WSIB is willing to accept or retain in delivery of our mandate and pursuit of our vision.
- Articulate risk tolerances for significant enterprise risks to delineate the acceptable variation in outcomes linked to objectives.

Enterprise Risk Assessment Rating Scales

- Continue to refine assessment criteria as the risk assessment discipline evolves and matures over time.

Risk Identification and Assessment

- Initiate further risk identification and assessment processes and continue integration of these activities into business planning.

Corporate Compliance

- Build a robust corporate compliance function to ensure transparency and accountability across the enterprise.

6 Strategic Investment Plan

...continued implementation to improve risk-adjusted returns and ensure portfolio performance

Each year, the WSIB invests a portion of premium revenues in an insurance fund for future payments of injured worker claims and on behalf of two retirement funds (one for injured workers and one for WSIB and Safety Association employees and retirees). As investment returns can significantly impact these funds, it is important that volatility be managed.

The total portfolio strategy targets an approximate 30 percent reduction in portfolio volatility, relative to the legacy strategy. Volatility reduction is achieved through diversification into alternative investment strategies, such as real estate, infrastructure and multi-asset strategies, while preserving long-term expected investment returns.

For 2015, continued implementation of the Strategic Investment Plan has been identified as a priority initiative, as a number of key activities will be taking place to continue to improve returns and to ensure our portfolio performance best serves the needs of our stakeholders.

KEY INITIATIVES

Provincial Pooling

- Work collaboratively with Ontario Pension Board (OPB) and Ministry of Finance to plan for, and implement if approved by Government, the establishment of an investment pooling entity, with OPB & WSIB as initial voluntary participants, in accordance with fundamental principles based on industry best practices.

Investment Governance

- Review current Investment Governance policies and practices in light of observations from the external investment governance review.

Investment and Asset Liability Risk Management

- Conduct an asset/liability education session for Board of Directors.
- Conduct a technical investment risk education session for the Investment Committee.

Implementation Plan

Work underway to support the WSIB's six priority initiatives will be guided by an Enterprise Roadmap. In 2015, the WSIB will continue to build on the progress already achieved against these priority areas, with an expanded focus on Enterprise Risk Management and the WSIB's Strategic Investment Plan. The Roadmap's high-level plan of action also helps to drive modernization and to lead the shift in the WSIB's people, processes and technology. It includes both short- and long-term projects and is designed to produce tangible benefits and results.

During this significant transformation, the WSIB will continue to protect its core work as it executes the necessary changes to achieve the best outcomes for workers and employers while delivering better customer service.

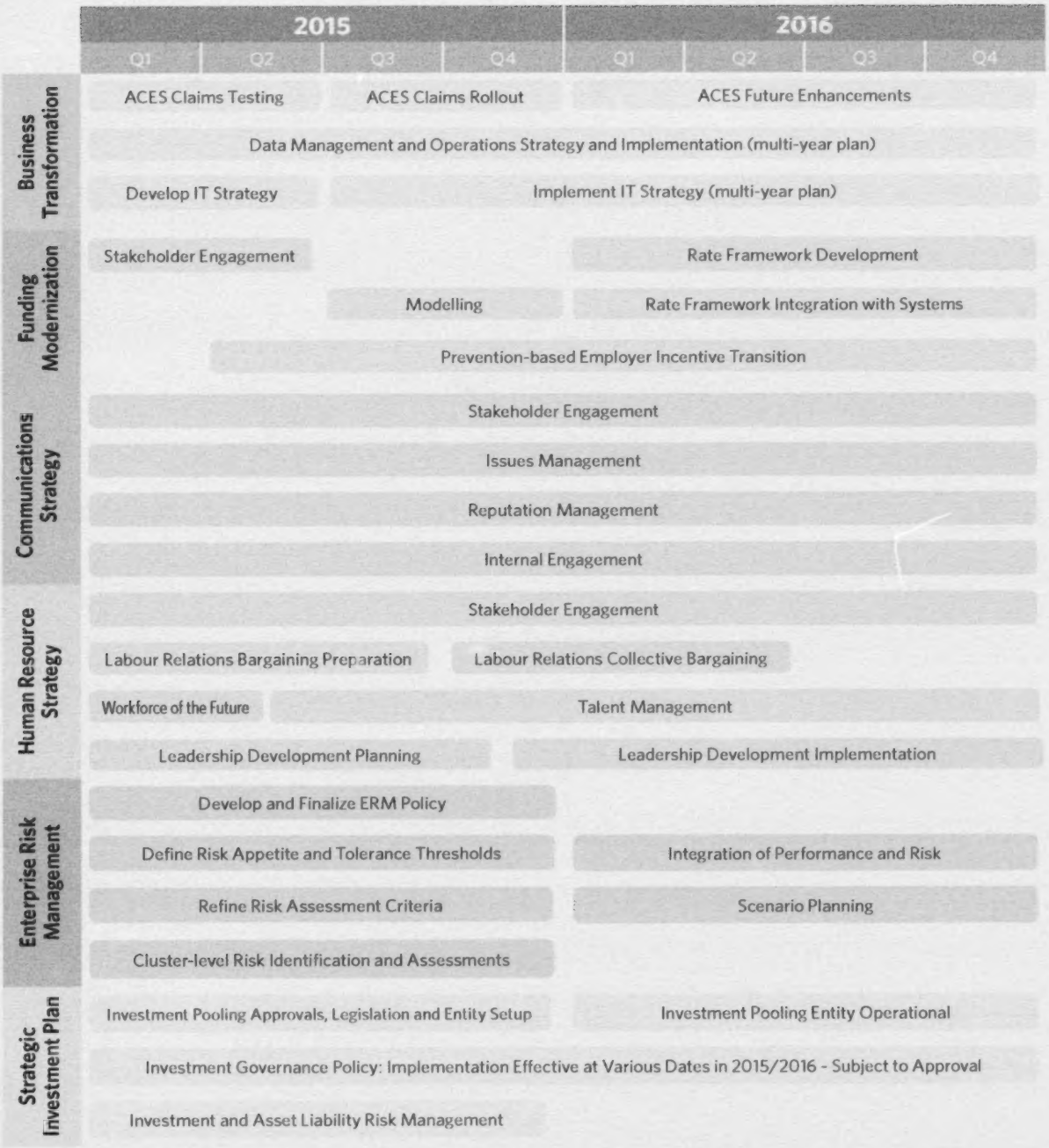
Implementation Governance

The WSIB understands that transforming itself into a modern organization requires careful planning and rigorous oversight to meet deliverables. Projects and initiatives are governed by the Project Portfolio Governance Committee (PPGC), which is comprised of WSIB Chief Officers and selected advisory members. Together, the members oversee the corporate project portfolio to ensure that investments made in projects are aligned to the *Strategic Plan* and are appropriately prioritized, scheduled and resourced for success.

The Portfolio Management Office (PMO) ensures accurate project reporting and a strong governance framework for Project and Portfolio Management. Senior management and cross-divisional staff are not just involved, but champion the need for new processes and systems.

The WSIB Board of Directors are engaged and updated regularly. Our governance structure includes committees whose subject matter expertise provides for robust oversight, guidance and feedback, crucial to the success of our initiatives.

Enterprise Roadmap



Three Year Financial Plan

($ millions)	2015	2016	2017
Revenues			
Premiums	4,554	4,679	4,809
Net investment income	1,209	1,316	1,442
Total revenues	5,763	5,995	6,251
Expenses			
Benefit costs			
Benefit payments	2,421	2,421	2,414
Claim administration costs	436	438	436
Changes in actuarial valuation of benefit liabilities	912	930	936
	3,769	3,789	3,786
Loss of Retirement Income Fund contributions	59	58	58
Administrative and other expenses	358	361	361
Legislated obligations and commitments	305	305	307
Total expenses	4,491	4,513	4,512
Excess of revenues over expenses	1,272	1,482	1,739
Other comprehensive income			
Remeasurements of employee defined benefit plans	21	22	23
Total Comprehensive income for the year	1,293	1,504	1,762
Total Comprehensive income attributable to:			
WSIB stakeholders	1,140	1,343	1,591
Non-controlling interest	153	161	171
	1,293	1,504	1,762
Total administration costs	794	799	797
Core earnings	975	1,096	1,233
Net investment return, net	5.5%	5.5%	5.5%
Unfunded liability (Sufficiency basis)	(8,129)	(6,396)	(4,419)
Sufficiency Ratio	74.3%	80.4%	86.8%

Performance Measures

The WSIB has established key measures to assess the performance against the objectives of each Pillar. In addition, the WSIB *Quarterly Report to Stakeholders* and *Measuring Results* reports provide regular updates on performance against key financial and non-financial performance indicators. These measures are continually monitored, allowing the WSIB to measure progress and, when necessary, to respond by adjusting efforts and priorities accordingly.

The Five Pillars	Measure	2015 Target
Return to Work and Fair Benefits	Return to work at 100% pre-injury earnings	92%
Sufficient Funding	Sufficiency Ratio	60% by 2017
Revenue Must be Fairly Assessed and Cover Costs	Comprehensive Income	$1,293M
Service Excellence and Efficient Administration	Total Administration Costs	$794M
	Service Excellence Index – Injured Workers Claims	75%
	Service Excellence Index – Employer Claims	80%
	Service Excellence Index – Employer Accounts	80%
Stakeholder Relationships	Corporate Reputation Survey Results	TBD

Enterprise Risk Profile: **Risk Plan**

In 2014, the focus for Enterprise Risk Management (ERM) was to develop and initialize the foundational elements of a formal and systemic program. Foundational elements included: formalizing risk oversight and governance, building an ERM capability, integrating ERM into business planning and conducting an enterprise risk assessment. The ERM implementation strategy focuses on integrating ERM into existing organization-wide processes starting with business planning and will continue with other key processes as the ERM program matures over time. Highlights of key activities that transpired over 2014 include:

Risk Oversight and Governance

- Formalized responsibility for oversight of ERM was delegated to the Governance Committee of the Board by the Board of Directors.
- Provided Director-level ERM education to enhance the Board's ability to perform its risk oversight function.
- Developed a process for ongoing monitoring and reporting of the significant risks to track progress on mitigation plans, to evaluate changes in residual level of risk, and to provide risk information to Executive Committee, Governance and other Committees to the Board of Directors in order to ensure appropriate enterprise risk oversight.

Building an ERM Capability

- A Chief Risk Officer (CRO) was appointed with responsibility for ERM, statutory compliance and internal audit and an Executive Director ERM was hired to lead the function under the direction of the CRO.

Integration of ERM into Business Planning

- ERM workshops were conducted on risk and business planning to educate and ensure risks to achieving outcomes were identified and planned for by the clusters.
- ERM worked with business planning and budgeting teams to integrate risk into the tools and templates used for the 2015 plans in order to create more robust business plans.

Conducting an Enterprise Risk Assessment:

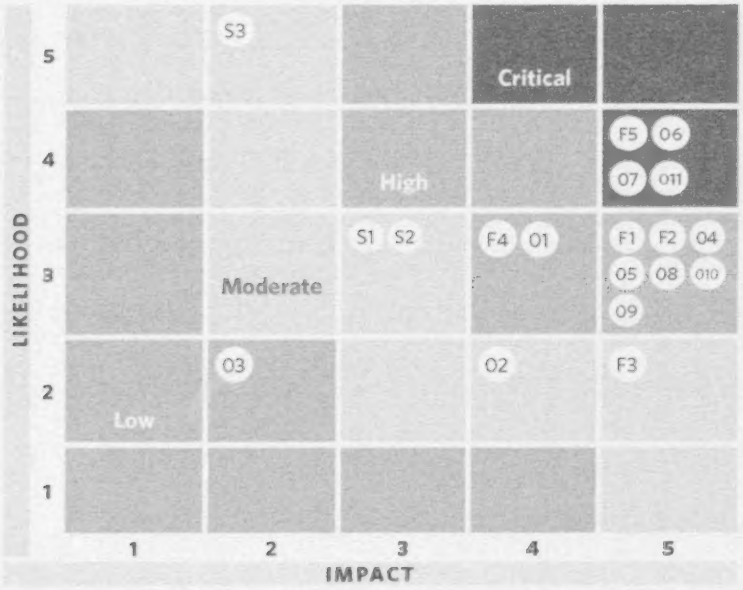
- An initial assessment of the overall residual risk exposure and an assessment of the effectiveness of existing activities to manage risks were conducted with clusters.
- A formal enterprise risk assessment was conducted with the Executive Committee which included an assessment of WSIB's significant risks.
- The results of the risk assessment were reported to the Governance Committee of the Board.
- Priorities for action were identified or reconfirmed to address any critical or high-risk exposure with consideration for WSIB's risk position, mandate and costs.

In 2015, the WSIB will build on the foundation developed in 2014 and will undertake the following key initiatives:

- Develop and approve ERM policy;
- Articulate risk appetite and tolerance;
- Refine the preliminary enterprise risk assessment rating scales; and
- Introduce further risk identification and assessment processes.

Enterprise Risk Profile: **Identification and Assessment**

WSIB's enterprise risk profile, which outlines WSIB's significant risks to the achievement of the *2012-2016 Strategic Plan* objectives, is illustrated in the heat map below. WSIB's risks have been assessed using four overall risk levels: critical, high, moderate and low.



Ref	Legend
F1	Insurance Funding
F2	Pension Plan
F3	Investment
F4	Legislative Changes
F5	Economy
S1	Health & Safety System Coordination
S2	Premium Rate Setting
S3	Stakeholder & Reputational
01	Adjudication of Complex Claims
02	Long Term Benefits
03	Healthcare
04	Compliance Framework
05	Transformational Change
06	People/Workforce
07	Key Person Succession Planning
08	Labour Relations
09	Business Continuity
010	Privacy
011	IT Environment & Strategy

Based on the risk assessment process, four risks have been identified at this time as critical requiring attention by the Board Committees responsible for risk oversight given the potential impact to the organization and constant monitoring and reviewing monthly by the Executive Committee. Critical risks and responsible Board Committee have been summarized in the next section: Mitigation Plans.

Risk Assessment Map and Legend

LIKELIHOOD	IMPACT				
	1 Insignificant	2 Minor	3 Minor	4 Moderate	5 Catastrophic
5 Almost Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Rare	1	2	3	4	5

LEGEND		
Overall Risk Level	Likelihood Impact	Description
Critical Risk	20-25	**Top level of risk:** Requires escalation to Board Committee responsible for oversight of the management of the risk quarterly; requires quarerly reporting to the Governance Committee; should be constantly monitored and reviewed monthly by EC
High Risk	12-18	**High level of risk:** Requires escalation to Governance Committee every six months; should be constantly monitored and reviewed every quarter by EC
Moderate Risk	5-10	**Moderate level of risk:** Manage by specific monitoring or response procedures within the business; should be monitored and reviewed every 12 months
Low Risk	1-4	**Low level of risk:** Manage by routine procedures and activities within the business; should not require much attention but should be reviewed at least every 18 months

Enterprise Risk Profile: **Mitigation Plans**

Summary of Critical Risks

Risk Statement	2015 Risk Mitigation Plans	Board Committee Identified as Responsible for Risk Oversight
Economy Risk: Changing macroeconomic conditions, such as employment levels and mix, inflation and others, or a failure in economic forecasting, may result in unanticipated impacts on revenues, investment returns, costs or operational assumptions, such as work reintegration.	■ Econometrics modeling work is being conducted by an external economic modeling advisor. ■ Conference Board of Canada customized quarterly economic forecast and analysis feeds into WSIB's tracking and forecasting projects for benefit liability (Chief Actuary), premium revenues (Financial Planning and Support) and economic projections (Chief Statistician). ■ Continuous monitoring of existing financial models.	Audit and Finance Committee
People/Workforce Risk: WSIB may have difficulty attracting and retaining a workforce with the right capabilities, particularly if attraction and retention strategies do not align to the broader market conditions for needed capabilities, and in light of attrition expectations resulting from retirement or other factors influencing workforce attrition, such as the term of professionals in specialized areas. Conversely, we may have difficulty migrating to a workforce that meets future business needs.	■ Human Resources Strategy (2014-2016) includes talent management and total rewards. ■ Workforce of the future strategy will outline requirements for people/workforce and job design.	Human Resources and Compensation Committee
Key Person Succession Planning Risk: In the absence of effective succession planning, WSIB may experience a loss of critical knowledge of the organization, its processes, systems and history and may not have "ready" talent to move into key roles.	■ Human Resources Strategy (2014-2016) identifies succession planning (Directors & above) as part of the talent management pillar. ■ Human Resources and Compensation Committee work plan requirement. ■ Formal Leadership development programs are in place such as new manager programs and Lead Change program for high potential candidates.	

Risk Statement	2015 Risk Mitigation Plans	Board Committee Identified as Responsible for Risk Oversight
IT Environment and Strategy Risk: Current reliance on an aging IT environment and lack of a long term IT strategy and associated roadmap may lead to IT systems and infrastructure failing to meet the current and future needs of the WSIB business, including compromising service delivery effectiveness, system reliability, integrity and availability.	■ Chief Information Officer is developing the IT strategy and work plan (multi-year). ■ Rejuvenating the 2011 Business Architecture work as a primary driver of the IT Strategy. ■ Investing in ACES over the short-term to create efficiencies for the WSIB in the long-term. ■ Awarded third party assessments of overall IT capability and service management and evaluating RFPs for architecture. ■ Completing an Application inventory and "technical health check". ■ Evaluation of optimal management model for non-core IT operations. ■ Production stabilization and improvement is addressing existing outages and early results have been achieved.	Governance Committee

See Appendix for detailed information about the critical risks.

Governance

Mandate

Governing Legislation

The Workplace Safety and Insurance Board (WSIB) is a statutory corporation responsible for administering the *Workplace Safety and Insurance Act* (Ontario), 1997. It administers no-fault workplace insurance for approximately 250,000 employers, and covers over four million workers in the province. It provides disability benefits for injured workers and survivors in the case of fatalities, manages the provision of quality health care, and assists in early and safe return to work for workers who are injured on the job or contract an occupational disease.

Fundamental to the system is a historical compromise by which workers gave up the right to sue for their work-related injuries, irrespective of fault, in return for guaranteed benefits for allowed claims. Employers receive protection from lawsuits in exchange for financing the program through premiums. This system of collective liability provides fair compensation for injured workers and their families while spreading costs among employers.

As an independent trust agency, the WSIB is funded entirely by employer premiums and does not receive any funding from the Government of Ontario.

The WSIB funds Ontario's occupational health and safety system by providing over $240 million each year to support the Ministry of Labour's prevention office, Occupational Health and Safety Act obligations, the Health and Safety Associations, the Offices of the Worker Adviser and Employer Adviser, and the Workplace Safety and Insurance Appeals Tribunal.

Corporate Governance

The WSIB is a trust agency of the Government of Ontario governed by a Board of Directors appointed by the Government of Ontario. The Board of Directors provides strategic oversight and direction to the WSIB.

The Board of Directors is accountable for ensuring that the WSIB:

- Meets the mandate set out in the *Workplace Safety and Insurance Act*.
- Meets the priorities set by the Government of Ontario.
- Demonstrates strong accountable fiscal probity, efficiency and effectiveness in the delivery of the workplace safety and insurance plan, programs and services.

The Board of Directors ensures that the WSIB management team meets its responsibilities through:

- Monitoring and measuring achievements based on its strategic goals, business plan and budget.
- Ongoing monitoring of reports and metrics on outcomes, programs, policies, strategic initiatives, plans and compliance.
- Providing guidance on government, public agency and stakeholder relationships.

WSIB management, led by the President and CEO, is responsible for:

- Providing a vision, leadership and a corporate structure to deliver the WSIB mandate.
- Ensuring that the strategic plan, the business plan and budget are implemented and achieved through appropriate programs, services, strong internal controls, and the efficient and effective management of financial, human resource and information management systems.

Fair Practices Commission is the organizational ombudsman for the WSIB.

- Provides an independent, neutral and confidential service for injured workers, employers and service providers who have complaints about the service they receive at the WSIB.
- Tracks complaint trends, identifies systemic issues and recommends improvements to the WSIB.

Corporate Structure

The WSIB's head office is located in Toronto with 14 regional offices located throughout the Province of Ontario.

Strategic Planning Context

The WSIB strategic planning cycle and context, endorsed by the Board of Directors, is based on sound principles and established strategic planning models. This robust and inclusive process helps to provide clear direction to the organization, meet obligations to government and produce appropriate and effective planning materials, including:

1. Multi-year Strategic Plan

5 Year

2. Annual Corporate Business Plan with integrated objectives and measures for business units throughout the WSIB

Annual

Form the basis of the annual submission to the Ministry of Labour

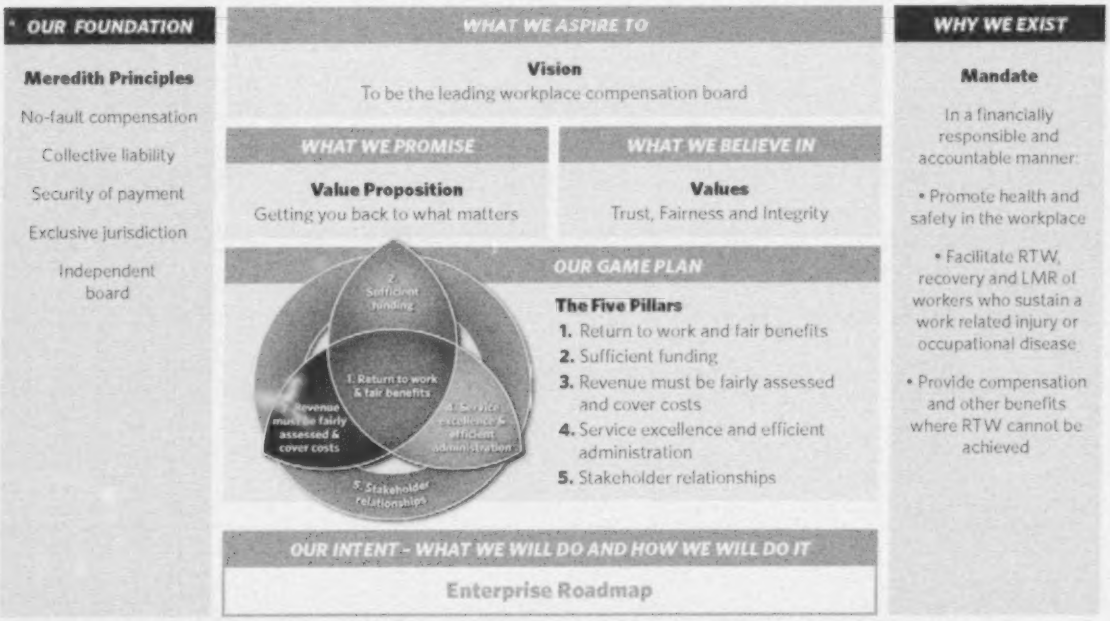
3. Quarterly Corporate Measurements Reports

Quarterly

Reported publicly, and linked directly to the strategic plan

The WSIB's Strategic Framework

The WSIB's Strategic Framework articulates its vision, values and value proposition, within which the WSIB plans its initiatives, measures its performance and allocates its resources.


OUR FOUNDATION
Meredith Principles
No-fault compensation
Collective liability
Security of payment
Exclusive jurisdiction
Independent board
WHAT WE ASPIRE TO
Vision
To be the leading workplace compensation board
WHAT WE PROMISE
Value Proposition
Getting you back to what matters
WHAT WE BELIEVE IN
Values
Trust, Fairness and Integrity
OUR GAME PLAN
2. Sufficient funding
1. Return to work & fair benefits
3. Revenue must be fairly assessed & cover costs
4. Service excellence & efficient administration
5. Stakeholder relationships
The Five Pillars
1. Return to work and fair benefits
2. Sufficient funding
3. Revenue must be fairly assessed and cover costs
4. Service excellence and efficient administration
5. Stakeholder relationships
OUR INTENT – WHAT WE WILL DO AND HOW WE WILL DO IT
Enterprise Roadmap
WHY WE EXIST
Mandate
In a financially responsible and accountable manner:
• Promote health and safety in the workplace
• Facilitate RTW, recovery and LMR of workers who sustain a work related injury or occupational disease
• Provide compensation and other benefits where RTW cannot be achieved

Vision: To be the leading workplace compensation board

The WSIB's vision acknowledges the need to transform itself into a modern organization, while reaffirming its commitment to the founding Meredith Principles and to providing fair compensation.

Value proposition: Getting you back to what matters

When a workplace incident happens, the WSIB is focused on making it easy for employers to get back to business while supporting workers in early recovery and a return to their work and lives.

The WSIB will provide fast, accessible services and easy-to-use tools that enable its customers to take part in recovery and return to work, and make it simple, efficient and easy to navigate through the process.

Values: Building trust through fairness and integrity

The WSIB must fulfill its responsibility as an independent trust organization, making the hard decisions and the changes necessary to bring itself to financial viability. It must provide services and benefits that deliver what matters to its customers.

Appendix: **Enterprise Risk Profile – Critical Risks**

Risk Statement	Objective(s)	Key Risk Drivers	Likelihood/Potential Impact	Residual Risk	2015 Risk Mitigation Plans (Mitigation Lead)
Economy Risk: Changing macroeconomic conditions, such as employment levels and mix, inflation, and others or a failure in economic forecasting may result in unanticipated impacts on revenues, costs or operational assumptions, such as work reintegration.	**1-2:** The WSIB will support workers and employers in return to work **2-1:** The WSIB will achieve funding requirements as prescribed in legislation **3-1:** The WSIB will collect premium revenue each year at a level that ensures all required payments can be made as they become due, and the UFL can continue to be retired	■ Extent of changes in macroeconomic conditions and exposure in particular to sudden decreases in investment earnings ■ Potential failure in economic forecasting ■	**4 – Likely** **5 – Catastrophic** ■ Funding objectives may be put at risk (e.g., increases in costs and decreases in revenues) ■ Employers will be less likely to accommodate return-to-work programs ■	**20 - Critical**	■ Econometrics modeling work is being conducted by an external economic advisor. ■ Conference Board of Canada customized quarterly economic forecast and analysis feeds into WSIB's tracking and forecasting projects for benefit liability (Chief Actuary), premium revenues (Financial Planning and Support) and economic projections (Chief Statistician) ■ Continuous monitoring of existing financial models (Chief Financial Officer)
People/Workforce Risk: WSIB may have difficulty attracting and retaining a workforce with the right capabilities, particularly if attraction and retention strategies do not align to the broader market conditions for needed capabilities, and in light of attrition expectations resulting from retirement or other factors influencing workforce attrition, such as the term of professionals in specialized areas. Conversely, we may have difficulty migrating to a workforce that meets future business needs.	**4-3:** The WSIB will enhance its ability to deliver excellent customer service	■ Attraction strategies do not align to the broader market conditions for some needed capabilities, in particular senior, non-bargaining unit and specialized roles ■ Attrition expectations resulting from retirement or other factors influencing workforce attrition ■ Unionized workforce ■ Future state resourcing/ skills requirements have not been identified at this time ■	**4 – Likely** **5 – Catastrophic** ■ May not reach transformation objectives ■ Loss of knowledge of the organization, its processes, systems and history ■ Lack of "ready" talent to move into positions ■ Increased difficulties in negotiating the collective agreement expiring in 2016	**20 - Critical**	■ Human Resources Strategy (2014-2016) includes talent management and total rewards ■ Workforce of the future strategy will outline requirements for people/workforce and job design (Chief Corporate Services Officer)

Appendix: Enterprise Risk Profile – Critical Risks (cont'd)

Risk Statement	Objective(s)	Key Risk Drivers	Likelihood/Potential Impact	Residual Risk	2015 Risk Mitigation Plans (Mitigation Lead)
Key Person Succession Planning: In the absence of effective succession planning, WSIB may experience a loss of critical knowledge of the organization, its processes, systems and history and may not have "ready" talent to move into key roles.	**4-3:** The WSIB will enhance its ability to deliver excellent customer service	■ Formalized succession planning and processes are not in place for the executive team ■ Some succession planning occurs however it is not organization-wide ■ There is a large percentage of the workforce that is eligible to retire including a number of senior people in core business areas	**4 - Likely** **5 - Catastrophic** ■ Loss of critical knowledge of the organization, its processes, systems and history ■ Lack of 'ready' talent to move into key roles ■	**20 - Critical**	■ HR Strategy (2014-2016) identifies succession planning (Directors & above) as part of the talent management pillar ■ Human Resources and Compensation Committee work plan requirement ■ Formal Leadership development programs are in place such as new manager programs and Lead Change program for high potential candidates (Chief Corporate Services Officer)
IT Environment and Strategy Risk: Current reliance on an aging IT environment and lack of a long term IT strategy and associated roadmap may lead to IT systems and infrastructure failing to meet the current and future needs of the WSIB business, including compromising service delivery effectiveness, system reliability, integrity and availability.	**4-3:** The WSIB will enhance its ability to deliver excellent customer service **4-5:** By improving efficiencies, the WSIB will reduce the cost to administer the system	■ Current reliance on an aging IT environment ■ Lack of a long term IT strategy and associated roadmap ■	**4 - Likely** **5 - Catastrophic** ■ IT systems and infrastructure failing to meet the current and future needs of the WSIB business including compromising service delivery effectiveness, system reliability, integrity and availability ■	**20 - Critical**	■ Chief Information Officer is developing the IT strategy and work plan (5 year plan) ■ Rejuvenating the 2011 Business Architecture work as a primary driver of the IT Strategy ■ Investing in ACES over the short-term to create efficiencies for the WSIB in the long-term ■ Awarded third party assessments of overall IT capability and service management and evaluating RFPs for architecture ■ Completing an Application inventory and "technical health check" ■ Evaluation of optimal management model for non-core IT operations ■ Production stabilization and improvement is addressing existing outages and early results have been achieved (Chief Information Officer)

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